
1997 Annual Report

Stockyards Industrial-Commercial Redevelopment Project Area



**Pursuant to Mayor's
Executive Order 97-2**

June 30, 1998



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)

<http://www.ci.chi.il.us>

June 30, 1998

The Honorable Mayor Richard M. Daley, Members
of the City Council, and Citizens of the City of Chicago
City of Chicago
121 N. LaSalle Street
Chicago, Illinois 60602

Ladies and Gentlemen:

The attached information for the Stockyards Industrial-Commercial Redevelopment Project Area, along with 43 other individual reports, is presented pursuant to the Mayoral Executive Order 97-2 (Executive Order) regarding annual reporting on the City's tax increment financing (TIF) districts. The City's TIF program has been used to finance neighborhood and downtown improvements, leverage private investment, and create and retain jobs throughout Chicago.

Pursuant to the Executive Order, the Annual Report, presented in the form of the attached, will be filed with the City Clerk for transmittal to the City Council and be distributed in accordance with the Executive Order.

Sincerely,

Christopher R. Hill
Commissioner
Department of Planning and Development

Walter K. Knorr
Chief Financial Officer

NEIGHBORHOODS



June 30, 1998

Mr. Christopher R. Hill
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

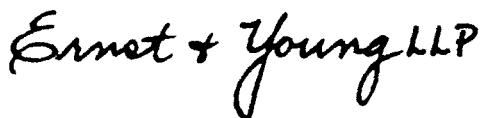
Commissioner Hill:

Enclosed is the required annual report for the Stockyards Industrial-Commercial Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to the Mayor's Executive Order 97-2. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed-upon procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

The report includes the City's data methodology and interpretation of Executive Order 97-2 in addition to required information. The tables in this report use the same lettering system as the Executive Order in order to allow the reader to locate needed information quickly.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City departments.

Very truly yours,



Ernst & Young LLP

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

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Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

Purpose of Report:

The purpose of the Annual Report for the Stockyards Industrial-Commercial Redevelopment Project Area (Report) is to provide useful information to interested parties regarding the City of Chicago's (City) tax increment financing (TIF) districts in existence on December 31, 1997, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the Stockyards Industrial-Commercial Redevelopment Project Area (Project Area).

Methodology:

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. Except to the extent that Section (h) also describes completed projects, the Report reflects only TIF economic activity during 1997. As outlined below, several assumptions were made concerning certain required information.

(a) General Description

The general boundaries of the Project Area were described and illustrated in a map. However, in order to provide ease of reading, only major boundary streets were identified. For exact boundaries, the interested reader should consult the legal description of the Project Area boundaries found in the Redevelopment Plan (Attachment).

(b) Date of Designation and Termination

For purposes of this Report, the date of termination is assumed to occur 23 years from the date of designation, the maximum duration currently allowed under the Tax Increment Allocation Redevelopment Act.

(c) Copy of Redevelopment Plan

The Redevelopment Plan, as amended (if applicable), for the Project Area is provided as the Attachment at the end of the Report.

(d) Description of Intergovernmental and Redevelopment Agreements

Agreements related to the Project Area are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector entities interested in redeveloping all or a portion of the Project Area. The date of recording of Agreements with the Cook County Recorder of Deeds is included in Section (d) (if applicable).

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(e) Description of TIF Project(s)

Section (e) describes each TIF project in the Project Area that has already received approval by the Community Development Commission. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreement, if such agreements exist. City tax increment project expenditures during 1997, tax increment project expenditures to date, and a description of all TIF financing was included in Section (e). This Report covers only those projects already approved by the Community Development Commission as of December 31, 1997, and which received TIF financing during 1997. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report.

(f) Description of all TIF Debt Instruments

Descriptions of all TIF debt instruments in Section (f) were obtained from the City. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest were not included in Section (f). Such instruments do not qualify as TIF debt instruments as defined by the Executive Order.

(g) Description of City Contracts

Section (g) provides a description of City contracts paid with incremental property tax revenues in 1997. For purposes of the Report, "prior calendar year" as defined in the Executive Order means 1997. Section (g) does not cover payments for services related to TIF projects previously reported in Section (e).

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within an area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

(h) Summary of Private and Public Investment Activity

Section (h) describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

The investment activity reported is based on data for projects described in the intergovernmental or redevelopment agreements and any additional data available to the Commissioner of Planning and Development. Private and public investments are estimated in Section (h) on a completed project basis. The Report contains only the final ratio of private/private investment for each TIF project. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

(i) Description of Property Transactions

Information regarding property transactions is provided in Section (i), to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area.

(j) Financial Summary Prepared by the City Comptroller

Section (j) provides a 1997 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles.

(k) Description of Tax Receipts and Assessment Increments

Information concerning 1997 tax receipts and assessments associated with the Project Area is provided in Section (k). The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts.

(l) Certain Contracts of TIF Consultants

Section (l) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Section (l) are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997.

(m) Compliance Statement Prepared by an Independent Public Accountant

As part of the audit procedures performed by independent accountants, certain compliance tests were performed related to the Project Area. Included in the Annual Report is an audit opinion indicating compliance or non-compliance with the Illinois Tax Increment Allocation

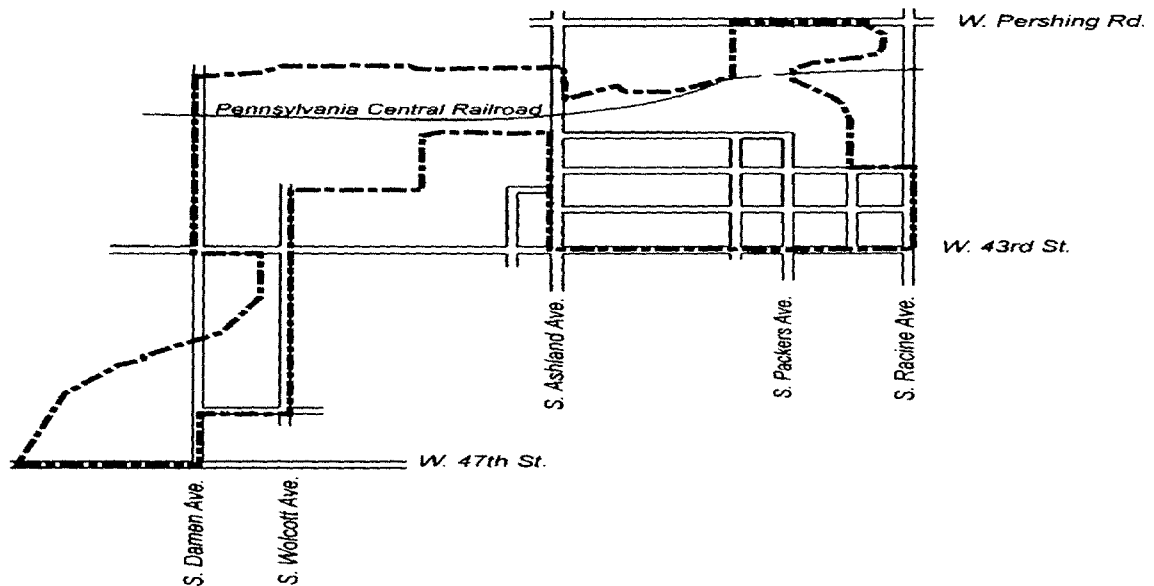
Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. Section (m) provides this statement.

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(a) GENERAL DESCRIPTION

The Stockyards Industrial-Commercial Redevelopment Project Area is located on the southwest side of the City of Chicago and is generally bounded on the north by Pershing Road, on the east by South Racine Avenue, on the south by West 47th Street, and on the west by the Baltimore and Ohio (B&O) railroad tracks and South Damen Avenue. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan (Attachment).



Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council on March 9, 1989. The Project Area may be terminated no later than December 1, 2011.

(c) COPY OF REDEVELOPMENT PLAN

The Redevelopment Plan for the Project Area, as amended (if applicable), is contained in this Report (Attachment).

(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

Information pertaining to executed intergovernmental and redevelopment agreements is provided in Table D below. A description of intergovernmental and redevelopment agreements executed in connection with the Project Area, naming parties, dates of authorization by the City Council, dates of execution, and dates of recording in the office of the Cook County Recorder of Deeds (if applicable), is included.

**TABLE D
INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS**

<u>PARTIES TO AGREEMENT WITH CITY</u>	<u>DATE OF AUTHORIZATION BY CITY COUNCIL</u>	<u>DATE OF EXECUTION</u>	<u>DATE OF RECORDING IN RECORDER OF DEEDS OFFICE (if applicable)</u>
Culinary Foods, Inc.	6/16/94	8/4/94	8/9/94
Yards Developers, Inc.	5/24/89	6/1/89	6/20/89

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(e) DESCRIPTION OF TIF PROJECT(S)

The following Table E provides the required information as outlined in the Executive Order about each TIF project which has received TIF financing during the most recently concluded prior calendar year (1997). A description of each TIF project approved by the Community Development Commission or currently under way within the Project Area is included in Table E. The table specifically notes:

- 1) the nature of the project;
- 2) the budgeted project cost and the amount of TIF assistance allocated to the project;
- 3) the estimated timetable, and a statement of any change in the estimate during the prior calendar year;
- 4) total City tax increment project expenditures during the prior calendar year and total City tax increment project expenditures to date;
- 5) a description of all TIF financing, including type, date, terms, amount, project recipient, and purpose of project financing.

During 1997, there were no tax increment project expenditures within the Project Area. Therefore, no information was provided for this section.

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(f) DESCRIPTION OF TIF DEBT INSTRUMENTS

The following Table F provides the required TIF debt information for the Project Area as outlined in the Executive Order. The table contains a description of all TIF debt instruments related to the Project Area, including:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate and security of each sale of TIF debt instruments, and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1997);
- 5) the amount of principal paid from tax increment during the prior calendar year (1997).

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TABLE F
DESCRIPTION OF TIF DEBT INSTRUMENTS RELATED TO THE PROJECT AREA - TERMS

NAME OF DEBT INSTRUMENT	DATE	PRINCIPAL	INTEREST RATE	SECURITY	TYPE	UNDERWRITERS	TRUSTEES	INTEREST PAID DURING PRIOR YEAR (1997)	PRINCIPAL PAID DURING PRIOR YEAR (1997)
City of Chicago Tax Increment Allocation Revenue and Refunding Bonds (Stockyards Industrial Commercial Redevelopment Project) Series 1996A	Dated: 1/30/97	\$14,800,000	5.38%	TIF Revenues	Tax Increment Allocation Bond	George K. Baum & Co.	Cole Taylor Bank	\$283,354	\$0
City of Chicago Tax Increment Allocation Revenue and Refunding Note (Stockyards Industrial Commercial Redevelopment Project) Series 1996A	Dated: 1/2/1997	\$12,560,000	6.00%	TIF Revenues	Promissory Note	N.A. (1)	Cole Taylor Bank	\$57,810	\$12,560,000
City of Chicago Tax Increment Allocation Revenue and Refunding Bonds (Stockyards Industrial Commercial Redevelopment Project) Series 1994A	Dated: 12/29/94	\$12,700,000	9.25%	TIF Revenues	Tax Increment Allocation Bond	Principal Financial Securities, Inc.	Cole Taylor Bank	\$587,375	\$12,560,000

(1) N.A. - not applicable.

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(g) DESCRIPTION OF CITY CONTRACTS

The following Table G provides the required information as outlined in the Executive Order pertaining to City contracts related to the Project Area. The section contains a description of each City contract related to the Project Area and executed or in effect during the prior calendar year. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. This Section (g) does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within a Project Area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide multi-year contracts that provide goods or services for various City departments.

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

TABLE G
DESCRIPTION OF CITY CONTRACTS RELATED TO THE PROJECT AREA

<u>CONTRACTING PARTIES WITH THE CITY OF CHICAGO</u>	<u>DATE OF EXECUTION</u>	<u>PURPOSE</u>	<u>AMOUNT OF COMPENSATION PAID IN 1997</u>	<u>PERCENT OF COMPENSATION PAID TO DATE</u>
Nakawatase, Wyns & Assoc.	Term Agreement	Roadway Project Acquisition Surveys	\$15,396	100%
Guy A. Romito & Assoc.	Term Agreement	Acquisition Surveys	\$4,500	100%
Real Estate Analysis Corp.	Term Agreement	Acquisition Surveys	\$27,000	100%
Nakawatase, Wyns & Assoc.	Term Agreement	Acquisition Surveys	\$1,898	100%
Compaq Computer	Term Agreement	Computer Software, Equipment, Modeling, and Other Professional Support Services	\$15,425	100%
City TIF Program Administration	1997	Cost of Implementation and Administration	\$77,258	100%
Chapman and Cutler	1997	Financing Costs	\$1,250	100%
Midwest Management Consultants, Inc.	1997	Financing Costs	\$17,400	100%
Louik/Schneider & Assoc.	1997	Financing Costs	\$17,400	100%
Carney & Brothers	1997	Financing Costs	\$15,000	100%
Standard & Poor's	1997	Financing Costs	\$17,750	100%
Cole Taylor Bank	1997	Financing Costs	\$3,000	100%
Hopkins & Sutter	1997	Financing Costs	\$62,500	100%
George K. Baum & Company	1997	Financing Costs	\$169,750	100%
Burke, Warren & MacKay	1997	Financing Costs	\$35,175	100%
Victor P. Armenariz & Associates	1997	Financing Costs	\$22,500	100%
Reprotech	1997	Financing Costs	\$4,690	100%
George K. Baum & Company	1997	Financing Costs	\$9,435	100%
Bansley & Kiener	1997	Financing Costs	\$2,850	100%
Standard & Poor's	1997	Financing Costs	\$1,750	100%
Chapman & Cutler	1997	Financing Costs	\$5,000	100%
Cole Taylor Bank	1997	Financing Costs	\$3,750	100%
Yards Developers	Term Agreement	Property Assembly Costs	\$2,142	100%

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

The following Table H provides the required information as outlined in the Executive Order pertaining to private investment activity, job creation, job retention, and the ratio of private to public investment. It describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

To the extent this information is available to the Commissioner of Planning and Development on a completed project basis, the table provides a summary of private investment activity, job creation, and job retention within the Project Area, and a summary for each TIF project within the Project Area.

The Report contains only the final ratio of private/public investment for each TIF project. The private investment activity reported includes data from the intergovernmental or redevelopment agreement(s) and any additional data available to the Commissioner of Planning and Development. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

**TABLE H
DESCRIPTION OF PRIVATE INVESTMENT ACTIVITY, JOB RETENTION, JOB CREATION,
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT IN THE PROJECT AREA**

<u>NAME OF TIF PROJECT</u>	<u>JOB CREATION</u>	<u>JOB RETENTION</u>	<u>PRIVATE INVESTMENT ACTIVITY</u>	<u>PUBLIC INVESTMENT</u>	<u>RATIO OF PRIVATE/PUBLIC INVESTMENT</u>
Culinary Foods (2)	100	775	\$17,909,033	\$5,000,000	3.58
Yards Dev. Limited	400	N.A. (1)	\$16,085,000	\$2,915,000	5.52
		Total	\$33,994,033	\$7,915,000	4.29

(1) N.A. - not applicable.

(2) Project funded using a combination of general obligation bond proceeds and tax increment revenue bond proceeds.

Note: Data gathered by an independent consultant to the City, with the assistance of City staff.

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(i) DESCRIPTION OF PROPERTY TRANSACTIONS

The Executive Order requires information pertaining to property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the TIF area during the prior calendar year (1997):

- 1) every property acquisition by the City through expenditure of TIF funds, including the location, type and size of property, name of the transferor, date of transaction, the compensation paid, and a statement whether the property was acquired by purchase or by eminent domain;
- 2) every property transfer by the City as part of the redevelopment plan for the Project Area, including the location, type and size of property, name of the transferee, date of transaction, and the compensation paid;
- 3) every lease of real property to the City, if the rental payments are to be made from TIF funds. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount;
- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental and the rental amount.

As mentioned above, the Executive Order requires reporting of property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. **However, the City did not take or divest title to real property within the Project Area during 1997. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1997.**

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER

The audited financial statements provide the required information as outlined in the Executive Order pertaining to financial aspects of the Special Tax Allocation Fund for the Project Area. These statements include:

- 1) the balance in the fund for the Project Area at the beginning of the prior calendar year;
- 2) cash receipts by source and transfers, deposited into the fund during the prior calendar year;
- 3) transfer credits into the fund for the Project Area during the prior calendar year;
- 4) expenditures and transfers from the fund, by statutory category, for the Project Area during the prior calendar year;
- 5) the balance in the fund for the Project Area at the conclusion of the prior calendar year.

CITY OF CHICAGO, ILLINOIS
STOCKYARDS INDUSTRIAL/COMMERCIAL
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 1997 AND 1996

CITY OF CHICAGO, ILLINOIS

STOCKYARDS INDUSTRIAL/COMMERCIAL REDEVELOPMENT PROJECT

C O N T E N T S

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BANSLEY AND KIENER, L. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

125 SOUTH WACKER DRIVE

CHICAGO, ILLINOIS 60606-4496

AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying combined balance sheet of the Stockyards Industrial/Commercial Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the related combined statements of revenues, expenditures and changes in fund balance - governmental funds for the years ended December 31, 1997 and 1996. These combined financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. We previously audited and reported upon the balance sheet as of December 31, 1996, totals of which are included for comparative purposes only.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Stockyards Industrial/Commercial Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the results of its governmental funds operations and changes in fund balance for the years ended December 31, 1997 and 1996 in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The schedule of cash activities on page 6 and the schedule of expenditures by statutory code on page 7, which are also the responsibility of the City of Chicago's management, are presented for purposes of additional analysis and are not a required part of the combined financial statements of Stockyards Industrial/Commercial Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the combined financial statements taken as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

May 5, 1998

CITY OF CHICAGO, ILLINOIS
STOCKYARDS INDUSTRIAL/COMMERCIAL REDEVELOPMENT PROJECT

COMBINED BALANCE SHEETS
DECEMBER 31, 1997
(With Comparative Totals for 1996)

<u>A S S E T S</u>	<u>Governmental Funds</u>	<u>General Long-term Debt Account Group</u>	<u>Total 1997</u>	<u>Total 1996</u>
Cash and investments	\$6,944,080	\$ -	\$ 6,944,080	\$ 5,910,105
Property taxes receivable	2,500,000	-	2,500,000	2,021,787
Accrued interest receivable	85,801	-	85,801	25,831
Amount available for debt service	-	3,790,186	3,790,186	3,648,830
Amount to be provided for retirement of general long-term debt	<u>-</u>	<u>11,009,814</u>	<u>11,009,814</u>	<u>9,051,170</u>
Total assets	<u>\$9,529,881</u>	<u>\$14,800,000</u>	<u>\$24,329,881</u>	<u>\$20,657,723</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Due to other City funds	\$ 77,258	\$ -	\$ 77,258	\$ -
Vouchers payable	34,417	-	34,417	56,137
Accrued interest payable	50,705	-	50,705	587,375
Deferred revenue	2,492,044	-	2,492,044	2,013,855
Bonds payable (Note 2)	<u>-</u>	<u>14,800,000</u>	<u>14,800,000</u>	<u>12,700,000</u>
Total liabilities	<u>2,654,424</u>	<u>14,800,000</u>	<u>17,454,424</u>	<u>15,357,367</u>
Fund balance				
Reserved for debt service	3,790,186	-	3,790,186	3,648,830
Unreserved, undesignated	<u>3,085,271</u>	<u>-</u>	<u>3,085,271</u>	<u>1,651,526</u>
Total fund balance	<u>6,875,457</u>	<u>-</u>	<u>6,875,457</u>	<u>5,300,356</u>
Total liabilities and fund balance	<u>\$9,529,881</u>	<u>\$14,800,000</u>	<u>\$24,329,881</u>	<u>\$20,657,723</u>

The accompanying notes are an integral part of the combined financial statements.

CITY OF CHICAGO, ILLINOIS
STOCKYARDS INDUSTRIAL/COMMERCIAL REDEVELOPMENT PROJECT

COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Revenues		
Property tax	\$ 2,348,743	\$ 2,033,967
Interest	<u>294,280</u>	<u>281,875</u>
Total revenues	<u>2,643,023</u>	<u>2,315,842</u>
Expenditures		
Capital projects	521,906	1,768,908
Debt service		
Principal retirement	12,700,000	-
Interest	<u>902,399</u>	<u>1,174,750</u>
Total expenditures	<u>14,124,305</u>	<u>2,943,658</u>
Expenditures over revenues	<u>(11,481,282)</u>	<u>(627,816)</u>
Other financial sources (uses)		
Operating transfers out (Note 3)	(1,743,617)	-
Proceeds of debt	<u>14,800,000</u>	<u>-</u>
Total other financing sources (uses)	<u>13,056,383</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	1,575,101	(627,816)
Fund balance, beginning of year	<u>5,300,356</u>	<u>5,928,172</u>
Fund balance, end of year	<u>\$ 6,875,457</u>	<u>\$5,300,356</u>

The accompanying notes are an integral part of the combined financial statements.

CITY OF CHICAGO, ILLINOIS
STOCKYARDS INDUSTRIAL/COMMERCIAL REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The Stockyards Industrial/Commercial Tax Increment Redevelopment Project (Project) was established in March 1989. This area has been established to finance improvements, leverage private investment, create and retain jobs and to retire the Redevelopment Tax Increment Note (Stockyards Commercial/Industrial Redevelopment Project), Series 1991 in the principal amount of \$9,885,000. Reimbursements, if any, are made to the developer as infrastructure improvements are completed and pass City inspection.

Principal and interest on the bonds will be paid from incremental property taxes generated by the redevelopment district.

Basis of Accounting

The Project is accounted for within the capital project, debt service and special revenue funds of the City. The Bonds Payable are recorded in the City's General Long-term Debt Account Group. The report is presented herein on a combined basis.

The financial statements are prepared on the modified accrual basis of accounting and current financial resources measurement focus with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

CITY OF CHICAGO, ILLINOIS
STOCKYARDS INDUSTRIAL/COMMERCIAL REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments

The bond proceeds and incremental taxes associated with the Stockyards Tax Increment Financing District are deposited with the City Treasurer or in a separate trust account. Eligible project expenditures are approved by the Department of Planning and Development in accordance with the project budget and paid from the trust account. Eligible project expenditures may be paid from bond proceeds or incremental taxes in excess of next year's annual debt service, after fully funding of all other funds and accounts.

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Investments are stated at cost or amortized cost, which approximates market value.

Property Taxes

Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end.

Note 2 - Bonds Payable

In January 1997, the City entered into a short-term promissory note for the purpose of retiring the Tax Increment Allocation Revenue Bonds Series 1994A (\$12.7 million). Also in January 1997, the City sold Tax Increment Allocation Revenue and Refunding Bonds Series 1996A (\$14.8 million). The bonds have an initial interest rate of 3.60 percent through February 3, 1997 and have maturity dates ranging from December 1, 1999 through December 1, 2014. Certain proceeds and cash on hand will be used to repay the short-term promissory notes, pay project costs, fund required accounts and meet initial debt service requirements. After the expiration of the initial interest rate period, the notes will bear interest at a weekly, daily, commercial paper or adjustable rates, as defined, at the discretion of the City.

CITY OF CHICAGO, ILLINOIS
STOCKYARDS INDUSTRIAL/COMMERCIAL REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

Note 2 - Bonds Payable (Continued)

The City entered into an interest rate swap agreement in June 1997 to reduce its interest rate risk on the bonds. The swap was approved by the City Council and is effective from February 10, 1997 and terminates on December 1, 2014 with an initial notional amount of \$14.8 million. The counterparty's payments will be based on a variable rate of interest in exchange for an annual fixed rate of interest of payment made by the City.

The bonds have an effective interest rate of 5.375 percent per annum. The aggregate maturities of the bonds (principal portion only) are as follows:

1998	\$	-
1999		300,000
2000		700,000
2001		800,000
2002		900,000
Thereafter		<u>12,100,000</u>
		<u>\$14,800,000</u>

The principal listed above for each year include amounts payable January 1 of the following year.

Note 3 - Operating Transfers Out

During 1997 in accordance with state statutes, the Project transferred \$1,743,617 to the contiguous 35th and Halsted Redevelopment Project for the acquisition and redevelopment of property within the Project area.

SUPPLEMENTARY INFORMATION

SCHEDULE OF CASH ACTIVITIES
YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities		
Property taxes received	\$ 2,348,719	\$ 2,028,144
Payments for capital projects	(466,368)	(1,748,927)
Interest received	234,310	294,947
Net cash provided by operating activities	<u>2,116,661</u>	<u>574,164</u>
Cash flows from financing activities		
Debt service		
Principal retirement	(12,700,000)	-
Interest paid	(1,439,069)	(1,174,750)
Proceeds of debt	14,800,000	-
Operating transfers out	(1,743,617)	-
Net cash used in financing activities	<u>(1,082,686)</u>	<u>(1,174,750)</u>
Increase (decrease) in cash and investments	1,033,975	(600,586)
Cash and investments, beginning of year	<u>5,910,105</u>	<u>6,510,691</u>
Cash and investments, end of year	<u>\$ 6,944,080</u>	<u>\$ 5,910,105</u>
Reconciliation of expenditures over revenues to net cash provided by operating activities		
Expenditures over revenues	\$(11,481,282)	\$ (627,816)
Adjustments to reconcile expenditures over revenues to net cash provided by operating activities		
Financing activities	14,139,069	1,174,750
Changes in assets - (increase) decrease		
Property tax receivable	(478,213)	(371,257)
Accrued interest receivable	(59,970)	13,072
Changes in liabilities - increase (decrease)		
Vouchers payable	(21,720)	19,981
Due to other City funds	77,258	-
Accrued interest payable	(536,670)	-
Deferred revenue	478,189	365,434
	<u>\$ 2,116,661</u>	<u>\$ 574,164</u>

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, and marketing	\$ 97,593
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and buildings, and the clearing and grading of land	52,288
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and or not exceeding 36 months thereafter and including reasonable reserves related thereto	<u>13,974,424</u>
	<u>\$14,124,305</u>

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

The following Table K provides the required statement of tax receipts and assessment increments for the Project Area as outlined in the Executive Order. The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts. The table provides the following information:

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;
- 2) for a utility tax Project Area, the municipal utility tax increment and the net state utility tax increment amount deposited in the special allocation fund during the prior calendar year;
- 3) for a property tax Project Area, (A) the total initial equalized assessed value of property within the Project Area as of the date of designation of the area, and (B) the total equalized assessed value of property within the Project Area as of the most recent property tax year;
- 4) the dollar amount of property taxes on property within the Project Area attributable to the difference between items (3)(A) and (3)(B) of this Section (k).

All terms used in Section (k) relating to increment amounts and assessed value are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law.

**Stockyards Industrial-Commercial Redevelopment Project Area
1997 Annual Report**

**TABLE K
DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1996 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1996</u>
1997	N.A. (1)	N.A. (1)	N.A. (1)	N.A. (1)	\$10,239,347	\$31,736,712	\$2,412,206

(1) N.A. - not applicable.

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

Table L provides information about contracts, if any, between the TIF consultant was paid by the City for assisting to establish the Project Area and any entity that has or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Table L are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan and for the establishment of a redevelopment project area within the City, as of December 31, 1997. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area. **No TIF Consultant was paid by the City for assisting to establish the Project Area.**

Stockyards Industrial-Commercial Redevelopment Project Area 1997 Annual Report

(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT

For the Project Area's Special Tax Allocation Fund, this Report provides a certified audit report reviewing compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. The audit was performed by an independent public accountant, certified and licensed by the State of Illinois, and in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Report contains a statement from the accountant indicating compliance or noncompliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate.

BERNARD J. SULLIVAN,
RICHARD J. QUINN,
FRANK S. GADZALA,
PAUL A. MERKEL,
THOMAS A. TYLER,
JOHN W. SANEW III,
THOMAS A. CERWIN,
STEPHEN R. PANFIL,
MICHAEL D. HUELS,
ROBERT J. MARSCHALK,
THOMAS J. CAPLICE,
ROBERT J. HANNIGAN,
GERARD J. PATER,
VINCENT M. GUZALDO.

Bansley and Kiener, L.L.P.

Certified Public Accountants

MANAGEMENT ADVISORY SERV

TIMOTHY R. MULCAHY
DAVID W. RICHMOND

Established 1922

125 SOUTH WACKER DRIVE CHICAGO, ILLINOIS 60606-4496 312/263-2700 FAX: 312/263-6935

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with generally accepted auditing standards, the combined balance sheet of Stockyards Industrial/Commercial Redevelopment Project of the City of Chicago, Illinois as of December 31, 1997, and the related combined statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated May 5, 1998.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (g) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Stockyards Industrial/Commercial Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

May 5, 1998

**Stockyards Industrial-Commercial Redevelopment Project Area
1997 Annual Report**

**ATTACHMENT
REDEVELOPMENT PLAN**

CITY OF CHICAGO

**STOCKYARDS INDUSTRIAL-COMMERCIAL REDEVELOPMENT AREA
TAX INCREMENT FINANCE PROGRAM**

REDEVELOPMENT PLAN

DECEMBER, 1988

Eugene Sawyer
Acting Mayor

REDEVELOPMENT PLAN FOR
STOCKYARDS INDUSTRIAL-COMMERCIAL REDEVELOPMENT AREA
TAX INCREMENT FINANCING PROGRAM

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MAPS

I. INTRODUCTION

One of the most historically significant of Chicago's many diverse neighborhoods is the Back of the Yards, located on the City's southwest side. This area was world renowned as the center of the nation's meat packing industry in the early part of the 20th century. In order to accommodate the meat-packing industry numerous train lines served the stockyards packing area primarily in the square mile between 39th Street and 47th Street from Halsted Street to Ashland Avenue (known as the Union Stockyards). The area, once a port of entry for immigrants, offered a wide variety of retail services and employment opportunities. With the closing of the Stockyards due to the movement of the meat packing industry to more western states in the second half of the 20th century, the area gradually declined as economic and consumer patterns changed. The buildings left by the packers became functionally and economically obsolete and most began to deteriorate.

At the same time, the advent of regional and strip shopping centers changed consumer shopping patterns and brought decline to the two primary shopping streets, 47th Street and Ashland Avenue.

While there has been a general decline in the economic strength of the Back of the Yards area, it possesses several strong

elements which have helped to maintain a level of economic vitality through the years of decline, and provide a base for revitalization.

Chief among these is the redevelopment of the Stockyards meat packing center as a major modern industrial park. The industrial park, developed with assistance of the Back of the Yards Neighborhood Council, the City of Chicago and the United States Department of Commerce - Economic Development Administration, the United States Department of Housing and Urban Development and various other federal agencies, has created over 100 new businesses employing in excess of 7,000 persons. The industrial park is now nearly filled, the only nearby vacant area which can be developed lacks cleared land, roadways and utilities.

However, the Back of the Yards area does have extensive vacant, under-utilized and blighted areas available for development for both commercial and industrial use. This land has not been developed in the past because of: (1) soil problems; (2) environmental issues; (3) toxic wastes; (4) building abandonment; (5) lack of public infrastructure; and (6) deterioration and blight of existing structures.

To assist in the development of new industrial and commercial centers within the Back of the Yards area, various agencies have

joined together. The lead organization in this strategy is the Back of the Yards Neighborhood Council (BYNC), a not-for-profit group composed of all sectors of the community, which has worked along with the City of Chicago Department of Economic Development, the Economic Development Commission of Chicago, and neighborhood businesses and residents, in developing a framework to guide and direct the revitalization of the Stockyards Industrial-Commercial Redevelopment Area. In developing the framework, a consensus building approach was adopted by the Back of the Yards Neighborhood Council. While there has been development in the Back of the Yards area by the private sector, much of the remaining land which can be put to productive use needs substantial investment of public funds in order to achieve such productive development.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The area is characterized by conditions which warrant the designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as the "Act"). The Act is found in the Illinois Revised Statutes, Chapter 24 Section 11-

74.4-1 et seq., as amended.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project" to redevelop blighted areas by pledging the increase in tax revenues generated by public and private redevelopment in order to pay for the up front public costs which are required to stimulate such private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value (the Certified EAV Base) for all real estate located within the district and the current year EAV. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

The Stockyards Industrial-Commercial Redevelopment Area Project and Plan (hereafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provision of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these

objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the Stockyards Industrial-Commercial Tax Increment Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirement of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of the

Redevelopment Plan makes possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area -- an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments, will create the appropriate environment to attract the investment required for the rebuilding of the area.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided in accordance with the Act. The Redevelopment Project Area would not reasonably developed without the use of such incremental revenues.

II. REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Stockyards Industrial-Commercial Redevelopment Area is located on the southwest side of the City of Chicago and is generally described as beginning at the northwest corner of West 47th Street and South Damen Avenue and includes the area between West 47th Street and the Baltimore & Ohio (B&O) railroad tracks; proceeding east to South Wolcott Street north of 46th Street, then proceeding north between South Wolcott Street and the spur line immediately to the west of South Wolcott Street, then north of West 43rd Street encompassing the area between South Wolcott Street extended and the B&O tracks to West 42nd Street extended; then proceeding between West 42nd Street extended and the north end of the Conrail property approximately 700 feet north of the Conrail rights-of-way from the B&O track to South Hermitage Avenue extended; then between South Hermitage Avenue and South Ashland Avenue between the north edge of the Conrail property and the property line approximately 700 feet north of West 42nd Street, from this point across Ashland Avenue, then south to West 43rd Street and east to Racine Avenue, including the property north of West 43rd Street and west of Racine Avenue to West 39th Street, excepting the property fronting along West 39th Street from South Ashland Avenue to South Loomis Street extended and the property between Racine Avenue and the spur lines immediately to the west of South Racine Avenue between West 39th Street and West Exchange Avenue extended. The study area is approximately six

miles southwest of Chicago's central business district. The area is currently occupied primarily by vacant land, industrial buildings and railroad tracks and adjacent railroad property, with a small portion of commercial property.

The legal description of the Stockyards Industrial-Commercial Redevelopment Area is as follows:

That part of the East Half of the Southwest Quarter of Section 6; part of the West Half of the Southeast Quarter of Section 6; part of the Northeast Quarter of Section 6 and Section 5, all in Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the East line of Damen Avenue as dedicated and the South line of said Section 6; thence West 1230.4 feet along said South line (also being the centerline of 47th Street) to the Easterly right-of-way line of the Chicago River and Industrial Railroad Company; thence Northeasterly along last said Easterly line to a line 347.5 feet West of the East line of said Southwest Quarter of Section 6; thence North on last said West line to the North line of the Southeast Quarter of said Southwest Quarter; thence Northeasterly along a track right-of-way to the centerline of vacated 44th Street, said point being 176.27 feet West of the West line of Wolcott Avenue; thence continuing North along said track to the South line of 43rd Street, said point being 130 feet West of the West line of Wolcott Avenue; thence West along the South line of 43rd Street to the North and South centerline of said Section 6; thence North along last said North and South centerline to the Northerly most track in the vacated channel of the South branch of the Chicago River; thence Easterly along said track to the West line of the East 2013.04 feet of the Northeast Quarter of Section 6; thence East 923 feet along a line to a point 513 feet South of the North line of said Section 6; thence South 15.58 feet; thence East 1115.55 feet along a line 548.58 feet South of the North line of said Section 6 to the East line of Ashland Avenue; thence South along said East right-of-way line to the South line of the West fork of the South fork of the South branch of the Chicago River as filled (also being the North line of Lot 4 in Circuit

Court Partition of the Northwest Quarter of Section 5); thence Northeast, Southeast and East along the Northerly line of said lot 4 to the North right-of-way line of the Penn Central Railroad main right-of-way; thence Northeasterly along last said North right-of-way line to the East line of the Northwest Quarter of the Northwest Quarter of said Section 5; thence North along last said East line to the North line of the Northwest Quarter of said Section 5; thence East along last said North line 900 feet; thence South to the South right-of-way line of Pershing Road at the intersection of a railroad spur track 360 feet more or less West of the East line of the Northwest Quarter of Section 5; thence Southeast 156 feet to the East line of a tract of land having a Tax Number of 20-05-102-044; thence Southerly along last said East line to the North right-of-way line of the Penn Central main line; thence Westerly along last said North line to the East line of Packer Avenue extended North; thence South along last said East line to the Southerly most spur track of said railroad; thence Southeast along said spur track to the South line of Lot 2 in Packer's Addition to Chicago; thence East along said South line to the East line of the Northwest Quarter of said Section 5; thence continuing East to the East right-of-way line of South Racine Avenue in the Northeast Quarter of said Section 5; thence South along said East line to the South right-of-way line of 43rd Street; thence Westerly along last said South right-of-way line to the West line of Ashland Avenue as dedicated; thence North along last said West line to the North right-of-way line of Lots 1 and 2 of Sulzberger and Sons Company's Block C Subdivision; thence Westerly along last said North line to a line 932.8 feet West of and parallel to the West line of Ashland Avenue; thence South 603.95 feet along last said line to the centerline of 42nd Street extended West; thence West along last said centerline to the East right-of-way line of Wolcott Avenue; thence South along last said East line to the South line of 46th Street as dedicated; thence West along last said South line to the East line of Damen Avenue; thence South along last said East line to the place of beginning, all in City of Chicago, Cook County, Illinois.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Investment in new development and reinvestment in existing structures and facilities are essential in the Stockyards Industrial-Commercial Redevelopment Area. Redevelopment and conservation efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, an increased tax base and additional employment opportunities.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of the Redevelopment Plan identifies more specific programs which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Back of the Yards area.
- * Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the Back of the Yards area.
- * Create suitable locations for industry.
- * Create job opportunities.

- * Create new retail centers and the accompanying job opportunities.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in commercial and industrial new construction, and rehabilitation.
- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- * Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for redevelopment needs and standards.
- * Provide site for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- * Provide needed incentives to encourage a broad range of improvements in both new development and rehabilitation efforts.
- * Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.

Development and Design Objectives

- * Establish a pattern of land use activities arranged in compact, compatible grouping to increase efficiency of operation and economic relationships.
- * Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- * Ensure safe and adequate circulation patterns and

capacity in the project area.

- * Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities; and appropriate access to nearby highways.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Encourage development of usable industrial space of all sizes.

IV. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based upon surveys, inspections, and analysis of the area by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The area is characterized by the presence of a combination of five or more blighting factors as listed in the Act, rendering the area detrimental to the public safety, health and welfare of the citizens of this area of the City. Specifically:

- * Of the fourteen factors set forth in the law, eleven are present in the area.

- * The blighting factors are reasonably distributed throughout the study area.

- * All blocks within the study area show the presence of blighting factors.

A separate report entitled "Stockyards Industrial-Commercial Redevelopment Area Tax Increment Financing District Eligibility Report," dated November, 1988 describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. Summarized below are the findings of the

Eligibility Report:

1. Age

Age as a factor is present to a major extent in seven of the seventeen blocks and to a limited extent in four blocks. Of the 46 total buildings in the Redevelopment Area, 29 (63 percent) are 35 years of age or older.

2. Dilapidation

Dilapidation is present to a major extent in one block containing two buildings and to a limited extent along twelve blocks containing poor and dilapidated street surface and storm drainage structures.

3. Obsolescence

Obsolescence as a factor is present to a major extent in twelve of the seventeen blocks and to a limited extent in four other blocks. Conditions contributing to this factor include obsolete buildings and obsolete platting. Sixteen buildings and six blocks with small, narrow parcels are characterized by obsolescence.

4. Deterioration

Deterioration as a factor is present to a major extent in seven blocks and to a limited extent in seven blocks of the Redevelopment Area. Conditions contributing to this factor

include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating street pavement, curbs, gutters and sidewalks. Twenty-six of the forty-six buildings are characterized by deterioration.

5. **Structures Below Minimum Code Standards**

Structures below the city's minimum code standards for existing buildings as a factor is present to a major extent in six of the seventeen blocks, and to a limited extent in two blocks.

6. **Excessive Vacancies**

Excessive vacancies as a factor is present to a major extent in thirteen of the seventeen blocks. Three buildings are entirely vacant and over forty percent of the area contains vacant land.

7. **Lack of Ventilation, Light or Sanitary Facilities**

One of the seventeen blocks exhibits almost total lack of lighting within the structures located within it. In addition the lack of light is also found in another block.

8. **Inadequate Utilities**

Inadequate utilities are present to a major extent in fifteen of the seventeen block area. All blocks are

impacted by obsolete and aging utility systems, deteriorating or missing storm sewers and drainage structures with only limited upgrading on sites where new development has occurred.

9. **Deleterious Land-Use or Layout**

Deleterious land-use or layout is present to a major extent in eleven blocks and to a limited extent in two blocks. Conditions contributing to this factor include parcels of irregular shape and limited size. Large tracts of vacant and under-utilized land, vacant and dilapidated structures and poor streets in deteriorated condition providing very limited access and interior circulation.

10. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance is present to a major extent in nine blocks and to a limited extent in seven blocks. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs, gutters and utilities.

11. **Lack of Community Planning**

Lack of community planning is present to a major extent throughout all seventeen blocks of the study area. Conditions contributing to this factor include parcels of

inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building setbacks, off-street parking and loading and the limited access provided by the present street system in combination with the vacant inaccessible land areas. The area lacks an overall plan for coordinated development on a block by block basis. The entire Redevelopment Area exhibits this factor.

The vacant portions of the study area also qualify as a "Blighted Area" as required by Chapter 24, Section 11-74.4-3(a) of the Illinois Revised Statutes. The following factors are present within the vacant land area:

(1) Unused Railroad Yards - Most of the central portion of the study area was used as railroad yards. Some active tracks remain, but the bulk of the yards have been abandoned.

(2) Unused Disposal Site - the southwestern portion was utilized as a garbage dump in the early part of the century. Nearly all of the vacant land in the study area has been used for dumping of building debris recently.

The analysis above is based upon data assembled by the City of Chicago, Department of Economic Development, The Economic Development Commission of the City of Chicago, the Back of the

Yards Neighborhood Council, Louik/Schneider & Associates, Inc. The surveys and analysis conducted include:

1. Exterior surveys of the condition and use of each building;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses;
6. Analysis of original and current platting and building size layout;
7. Analysis of building floor area and site coverage.
8. Review of previously prepared plans, studies and data.

V. STOCKYARDS INDUSTRIAL-COMMERCIAL REDEVELOPMENT PROJECT

A. REDEVELOPMENT PROJECT AREA GOAL AND OBJECTIVES

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking some or all of the following actions:

1. **Assemblage of Sites.** To achieve the renewal of the Redevelopment Project Area, property identified in Map 3, Development Activities, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements if any and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired, or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own (see Map 3).

As necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary uses until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. **Provision of Public Improvements and Facilities.** Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Construction of a more visually recognizable and attractive industrial park

entrance to the Northwest Quadrant of the Stockyards at 43rd Street and Packers Avenue, including landscaping and signage.

b. Provision of utilities necessary to serve the redevelopment.

c. Construction of an interior street system to efficiently and effectively serve the industrial park in the Northwest Quadrant of the Stockyards; including direct access to Ashland Avenue.

d. Provision of access and utilities to portions of the former railroad yards in the Wolcott/Railroad sub-area for industrial redevelopment purposes.

3. Provision for soil and site improvements for privately held properties for the purpose of making land suitable for development.

a. Entering into a redevelopment agreement for improvement to soil conditions and necessary site improvement at 47th Street and South Damen site, various railroad properties in the Wolcott/Railroad Area, and various site as may be required in the Northwest Quadrant of the Stockyards.

4. Redevelopment Agreements. Land assemblage shall be conducted for (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

B. REDEVELOPMENT PLAN

The proposed Stockyards Industrial-Commercial Redevelopment Project Area for the purposes of planning and programming of improvements has been divided into three sub-areas (see Map 2). These are (1) the 47th Street and South Damen Commercial Redevelopment sub-area; (2) the Wolcott/Railroad Industrial Redevelopment sub-area; and (3) the Northwest Quadrant of the Stockyards Industrial Redevelopment sub-area.

47th Street and South Damen Commercial Redevelopment Sub-Area

This sub-area designated for commercial redevelopment (see Map 4 Redevelopment Plan), will require the City and a developer to enter into a redevelopment agreement upon approval by the City Council. The redevelopment agreement will generally provide for the City to provide funding for necessary soil and site improvements. The funds for said improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. The developer will undertake the responsibility for the required soil and site improvements, a portion of which will be paid for from the issuance of bonds, and will further be required to build a retail shopping center containing approximately 240,000 square feet and the necessary support facilities, such as parking, landscaping and street

improvements.

The project defined in this sub-area of the Plan will be completed within 18 months of the signing of a redevelopment agreement. This commercial redevelopment will generate substantial incremental tax increases which will allow for the issuance of a bond for completion of other improvements in the first phase of public improvements.

Wolcott/Railroad Industrial Sub-Area

This sub-area, designated for industrial redevelopment (see Map 4), consists primarily of industrial properties along South Wolcott Avenue and railroad yards primarily north of 42nd Street. The sub-area will require street improvements and new street construction, including water sewer and lighting improvements primarily in the area between Wolcott and Damen Avenues north of 43rd Street with some additional improvements for a site located along the west side of Ashland Avenue north of the Conrail viaduct. Land acquisition will be required for the extension of Wolcott and Damen Avenues, and provision of a new right-of-way and new street construction (see Map 3).

In addition the City will need to enter into redevelopment agreements with developers to provide funding for soil and site improvements needed to make the land suitable for development.

With the exception of street resurfacing along Wolcott Avenue, most of the improvements for this sub-area will occur in the third phase of public improvements. The third phase public improvements will be funded from the proceeds of bonds financed from the incremental increase in real estate taxes generated from redevelopment in the Northwest Quadrant of the Stockyards.

Northwest Quadrant of the Stockyards Industrial Sub-Area

This sub-area has been designated primarily for industrial redevelopment with the exception of some existing commercial space along the east side of Ashland Avenue (see Map 4). The sub-area consists of a few newer industrial facilities, several new commercial facilities along the east side of Ashland Avenue, large tracts of vacant land mostly covered with rubble, and several abandoned and deteriorating industrial buildings.

The plan for this sub-area will make approximately 60 acres of land available for industrial redevelopment. A new street system and required water, sewer and lighting from Packers Avenue westward and southward through the sub-area to intersect with Ashland Avenue at 42nd Street is proposed (see Map 3). The plan also calls for the removal of railroad tracks where possible and assistance for suitably located, active, well maintained business and industry.

The redevelopment of this sub-area will require the City to provide public infrastructure improvements, land acquisition, demolition of dangerous and dilapidated buildings, and entering into redevelopment agreements with private land owners to provide for clearing of rubble, and soil and site improvements necessary for industrial development.

The first phase of public improvements will include the demolition of the existing abandoned buildings and undertaking of some of the street improvements. Funding for this first phase of improvement will come from the first bond to be issued by the City. The second phase of public improvements will include the balance of land acquisition, infrastructure improvement and soil and site improvements. This second phase will be funded from a second bond to be issued by the City and retired by the incremental increase in real estate taxes generated from new industrial development stimulated by the first phase of public improvements.

C. GENERAL LAND-USE PLAN

The Redevelopment Plan and the proposed projects described herein conform to the land-uses and development policies for the City as a whole as currently provided by the Comprehensive Plan of Chicago (1966) and the companion Southwest Development Area Report (1968). This Area is bounded by Blue Island Avenue and Cermak Road on the north, the Dan Ryan Expressway on the east, Garfield Boulevard on the south, and Western Avenue on the west. The Development Area contains the residential community known as New City, more commonly known as the "Back of the Yards".

The Back of the Yards community was the home of the Chicago Union Stockyards, a once thriving meat-processing and packing area. A portion of the Union Stockyards has been redeveloped as a modern industrial park. This occurred due to the funding injected into the area by the City and Federal governments which was utilized to develop an infrastructure system consisting of streets, water, sewerage, street lighting and other utilities. Also the City, State and Federal Governments provided specific financing assistance for companies to locate in the New Stockyards industrial park. The northwest quadrant of the Stockyards remains primarily blighted due to the presence of dilapidated buildings, the lack of necessary infrastructure and land suitable for redevelopment.

The Southwest Development Area Report states the following with regard to the redevelopment of land in the Stockyards area:

"At the height of operation, in the early 1940's, the stockyards and Packingtown meant more than 30,000 jobs... The westward movement of the meat packing industry caused a decline in job opportunities which culminated in the mid-1950's when most major firms closed their Chicago operations. The result was a serious need for jobs ... and a large amount of unused industrial land. (pp. 15-16)

The redevelopment of that land with job producing industries has been a high priority problem that is today only partly solved. Rail yards that are now larger than needed, large tracts of land with extensive existing construction unsuited for new uses and a complex of private streets and utilities have presented many serious physical and legal obstacles. Prime location alone will not insure success of this project; air pollution and offensive odors must be controlled; the area must be made attractive to compete with newer areas... (p. 16)

The retail shopping facilities in the Back of the Yards follows the general city-wide pattern of commercial frontage along major arterial streets. This pattern no longer meets the current needs of many consumers. A development objective for this area of Chicago includes the development of a new commercial center in order to provide increased employment opportunities and the strengthening of the tax base of the City.

The revitalization, retention and expansion of industrial areas is a key component of the City of Chicago's strategy for economic development. This strategy is documented in numerous plans and policy statements, including *Chicago, 1992: Goals and Policies and Ten-Year Development Strategies* which, in a discussion of the framework for economic development, cited the following as major

policy under the goal of making Chicago a "Viable Manufacturing City":

Encourage the Development of Industry in Significant Industrial Park Areas as Well as Scattered Locations Citywide.

Six major industrial concentrations have been designated as targets for development. These include: Northwest Center for Industry, Goose Island, Stockyards, Pullman, Chicago Center for Industry, and Lake Calumet. These areas are being actively serviced, enhanced and marketed. The primary advantage of these areas is their large available parcels of land, which is often a critical consideration of new or relocating industry. (Page 19)

D. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project pursuant to the State of Illinois Tax Increment Allocation Redevelopment Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of any buildings, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;
5. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

7. Payment in lieu of taxes;
8. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 10- 22.20a and 10-23.3a of the School Code;
9. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan.

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Sub-Area #1 - 47th Street and South Damen Avenue

Site preparation	\$1,900,000
Contingencies	150,000
Planning, legal, studies, etc.	190,000

Sub-Area #2 - Wolcott/Railroad

Acquisition	500,000
Infrastructure improvements	1,750,000
Site preparation	1,750,000
Contingencies	1,400,000
Planning, legal, studies, etc.	400,000

Sub-Area #3 - Northwest Quadrant of the Stockyards

Acquisition	1,000,000
Infrastructure improvements	4,150,000
Site preparation	1,430,000
Contingencies	2,232,000
Planning, legal, studies, etc.	658,000

TOTAL PROJECT COST* \$17,510,000

*Exclusive of capitalized interest, issuance costs and other financing costs

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued or incurred, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

The City may issue general obligation bonds secured by the full faith and credit of the City for the purpose of financing redevelopment project cost. Such bonds may be payable from ad valorem taxes levied against all taxable property in the City.

Issuance of Obligations

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in

order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The total 1987 equalized assessed valuation for the entire Redevelopment Project Area is \$11,938,779. This equalized assessed valuation is subject to final verification by Cook

County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

Anticipated Equalized Assessed Valuation

By the year 1998, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$19,000,000 and \$24,500,000. By the year 2002, the equalized assessed value of real property within the Redevelopment Project is estimated at between \$24,000,000 and \$26,500,000. These estimates are based on several key assumptions, including: 1) Redevelopment of the 47th and Damen Commercial sub-area will be completed in 1990; 2) Redevelopment of the Northwest Quadrant of the Stockyards and the Wolcott/Railroad sub-areas will occur in a timely manner; 3) the market value of the anticipated industrial developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 4) the most recent State Multiplier of 1.8916 as applied to 1987 assessed values will remain unchanged and 4) for the duration of the project the tax rate for the entire Redevelopment Area is assumed to be the same and will remain unchanged from the 1987 level.

TABLE 2
1987 EQUALIZED ASSESSED VALUATION

PERM. INDEX NO.	VACANT	COMMERCIAL	INDUSTRIAL	OTHER
20-05-101-006 RR				
-007 RR				
-010 RR				
-017			29,588	
-022	21,683			
-023	1,178			
-024	1,105			
-025	180,018			
-034 EX				
-035 EX				
-036			157,235	
20-05-102-001	37,838			
-002 RR				
-003	49,416			
-004	24,674			
-006 RR				
-011				
-012		55,950		
-016	79,631			
-019			47,899	
-020	1,254			
-021	46,787			
-023	106			
-024 EX				
-025	779			
-027		45,047		
-040			65,707	
-041	48,276			
-042	113			
-043 RR				21,290
-044	46,796			
-045	8,875			
20-05-103-001	1,544			
-002			15,288	
-003				15,106
-004			7,704	
-005		4,057		
-006		3,967		
-007		3,967		
-008		107,685		
-009		37,719		
-010		4,366		
-011		6,549		
-013		4,213		

PERM. INDEX NO.	VACANT	COMMERCIAL	INDUSTRIAL	OTHER
-014		61,297		
-015		60,560		
-018	16,854			
-020	32,670			
-021		24,680		
-022		20,870		
-023		18,331		
-024		4,266		
-025		2,113		
20-05-104-001		90,602		
-002				293,457
-004	EX			
-005	EX			
20-05-105-003	9,606			
-004				362,941
-005				204,497
20-05-106-001	EX			
-003				208,082
-006	EX			
-007	3,259			
-008	3,774			
20-05-107-001	1,483			
-002	1,483			
-003	1,483			
-004	1,483			
-005	1,483			
-006	1,483			
-007	1,483			
-008	1,483			
-009	10,504			
-010	1,544			
-011	1,544			
-012	19,510			
-013	15,231			
20-05-108-001	46,060			
-010	EX			
-012	8,480			
-013	6,333			
-014	38,191			
-015	31,247			
-016				57,520
-017		48,232		
-018		25,652		
20-05-109-002				130,282
-003	62,205			
20-05-110-003				125,226
-006				266,799
-007				114,620
-008		20,026		
-009				85,521

PERM. INDEX NO.	VACANT	COMMERCIAL	INDUSTRIAL	OTHER
-010	52,002			
-011	44,733			
20-05-111-016		3,619		
-017			966,759	
20-05-112-001			1,061,021	
-009				203,322
-010			233,342	
-011			313,338	
-012	24,212			
-013				48,750
20-05-113-002	97,586			
20-05-114-003			159,816	
-004			130,030	
-005			158,671	
-006			154,445	
-007			1,344,693	
20-05-500-001				RR
-002				RR
20-06-100-108			60,500	
-109			386,000	
20-06-200-014	22,998			
-046	20,864			
-057	79,239			
-058			331,389	
-061			73,383	
-068			576,815	
-069				RR
-070				RR
20-06-303-004	47,992			
-006	191,029			
-008	22,992			
-010	64,415			
-011				EX
-014	44,046			
20-06-400-008			369,363	
-013			100,111	
-014			13,502	
-015	5,889			
-016			179,237	
-018			222,013	
-020			306,246	
-024	85,809			
-025	10,748			
20-06-500-001				RR
TOTAL	1,683,503	653,768	9,313,040	288,468
TOTAL ALL USES	11,938,779			

VI. PHASING AND SCHEDULING OF REDEVELOPMENT PLAN

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the project area.

It is anticipated that City expenditures for redevelopment will be carefully staged on a reasonable and proportional basis to coincide with expenditures in rehabilitation and/or redevelopment by private developers.

The public and private improvements to be undertaken in the Redevelopment Project Area are anticipated to be completed in the twentieth year. Table 1, the Estimated Redevelopment Project Costs (See page 31), illustrates the public improvements to be undertaken as part of the Redevelopment Project.

VII. PROVISION FOR AMENDING ACTION PLAN

This Stockyards Industrial-Commercial Redevelopment Area Tax Increment Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

VIII. AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Stockyards Industrial-Commercial Redevelopment Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

- B. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

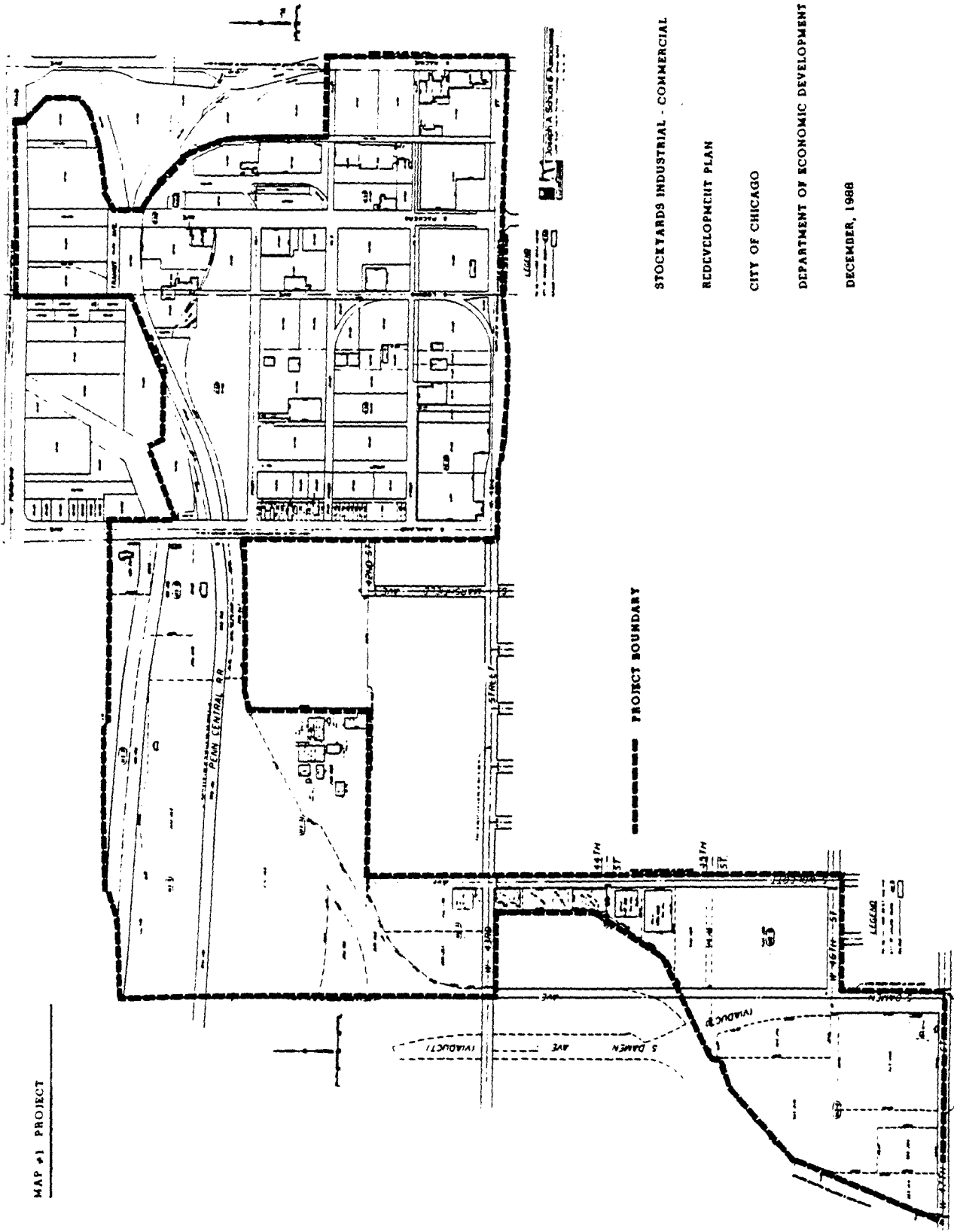
In order to implement these principles for this Plan and Project the City shall require and all parties contracting with the City on the Project meet City goals for Minority Business Enterprises, Women's Business Enterprises, Affirmative Action and First Source Hiring.

LEGAL DESCRIPTION

That part of the East Half of the Southwest Quarter of Section 6; part of the West Half of the Southeast Quarter of Section 6; part of the Northeast Quarter of Section 6 and Section 5, all in Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the East line of Damen Avenue as dedicated and the South line of said Section 6; thence West 1230.4 feet along said South line (also being the centerline of 47th Street) to the Easterly right-of-way line of the Chicago River and Industrial Railroad Company; thence Northeasterly along last said Easterly line to a line 347.5 feet West of the East line of said Southwest Quarter of Section 6; thence North on last said West line to the North line of the Southeast Quarter of said Southwest Quarter; thence Northeasterly along a track right-of-way to the centerline of vacated 44th Street, said point being 176.27 feet West of the West line of Wolcott Avenue; thence continuing North along said track to the South line of 43rd Street, said point being 130 feet West of the West line of Wolcott Avenue; thence West along the South line of 43rd Street to the North and South centerline of said Section 6; thence North along last said North and South centerline to the Northerly most track in the vacated channel of the South branch of the Chicago River; thence Easterly along said track to the West line of the East 2013.04 feet of the Northeast Quarter of Section 6; thence East 923 feet along a line to a point 513 feet South of the North line of said Section 6; thence South 15.58 feet; thence East 1115.55 feet along a line 548.58 feet South of the North line of said Section 6 to the East line of Ashland Avenue; thence South along said East right-of-way line to the South line of the West fork of the South fork of the South branch of the Chicago River as filled (also being the North line of Lot 4 in Circuit Court Partition of the Northwest Quarter of Section 5); thence Northeast, Southeast and East along the Northerly line of said lot 4 to the North right-of-way line of the Penn Central Railroad main right-of-way; thence Northeasterly along last said North right-of-way line to the East line of the Northwest Quarter of the Northwest Quarter of said Section 5; thence North along last said East line to the North line of the Northwest Quarter of said Section 5; thence East along last said North line 900 feet; thence South to the South right-of-way line of Pérshing Road at the intersection of a railroad spur track 360 feet more or less West of the East line of the Northwest Quarter of Section 5; thence Southeast 156 feet to the East line of a tract of land having a Tax Number of 20-05-102-044; thence Southerly along last said East line to the North right-of-way line of the Penn Central main line; thence Westerly along last said North line to the East line of Packer Avenue extended North; thence South along last said East line to the Southerly most spur track of said railroad; thence Southeast along said spur track to the South line of Lot 2 in Packer's Addition to Chicago; thence East along said South line to

the East line of the Northwest Quarter of said Section 5; thence continuing East to the East right-of-way line of South Racine Avenue in the Northeast Quarter of said Section 5; thence South along said East line to the South right-of-way line of 43rd Street; thence Westerly along last said South right-of-way line to the West line of Ashland Avenue as dedicated; thence North along last said West line to the North right-of-way line of Lots 1 and 2 of Sulzberger and Sons Company's Block C Subdivision; thence Westerly along last said North line to a line 932.8 feet West of and parallel to the West line of Ashland Avenue; thence South 603.95 feet along last said line to the centerline of 42nd Street extended West; thence West along last said centerline to the East right-of-way line of Wolcott Avenue; thence South along last said East line to the South line of 46th Street as dedicated; thence West along last said South line to the East line of Damen Avenue; thence South along last said East line to the place of beginning, all in City of Chicago, Cook County, Illinois.

MAP #1 PROJECT



STOCKYARDS INDUSTRIAL - COMMERCIAL

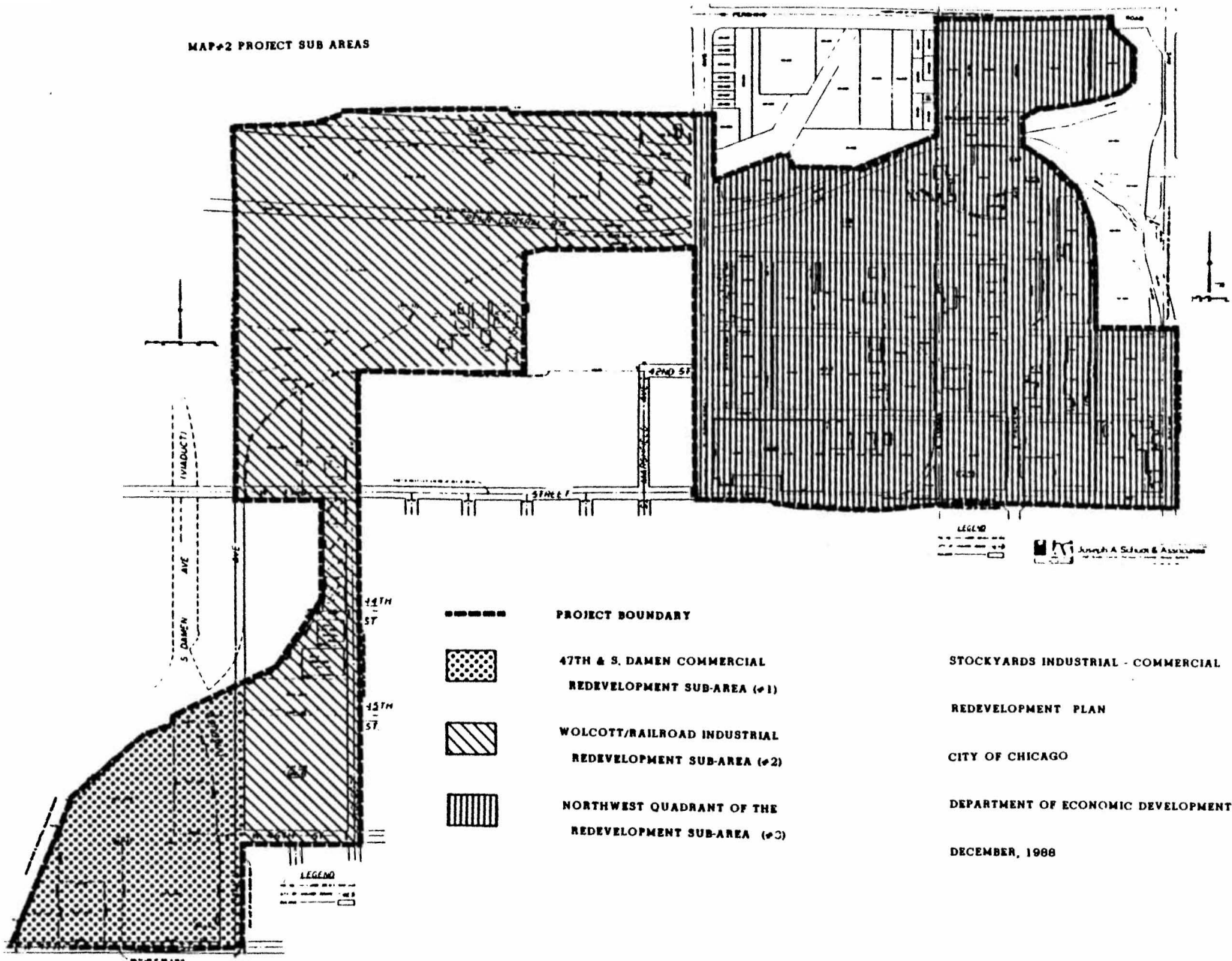
REDEVELOPMENT PLAN

CITY OF CHICAGO

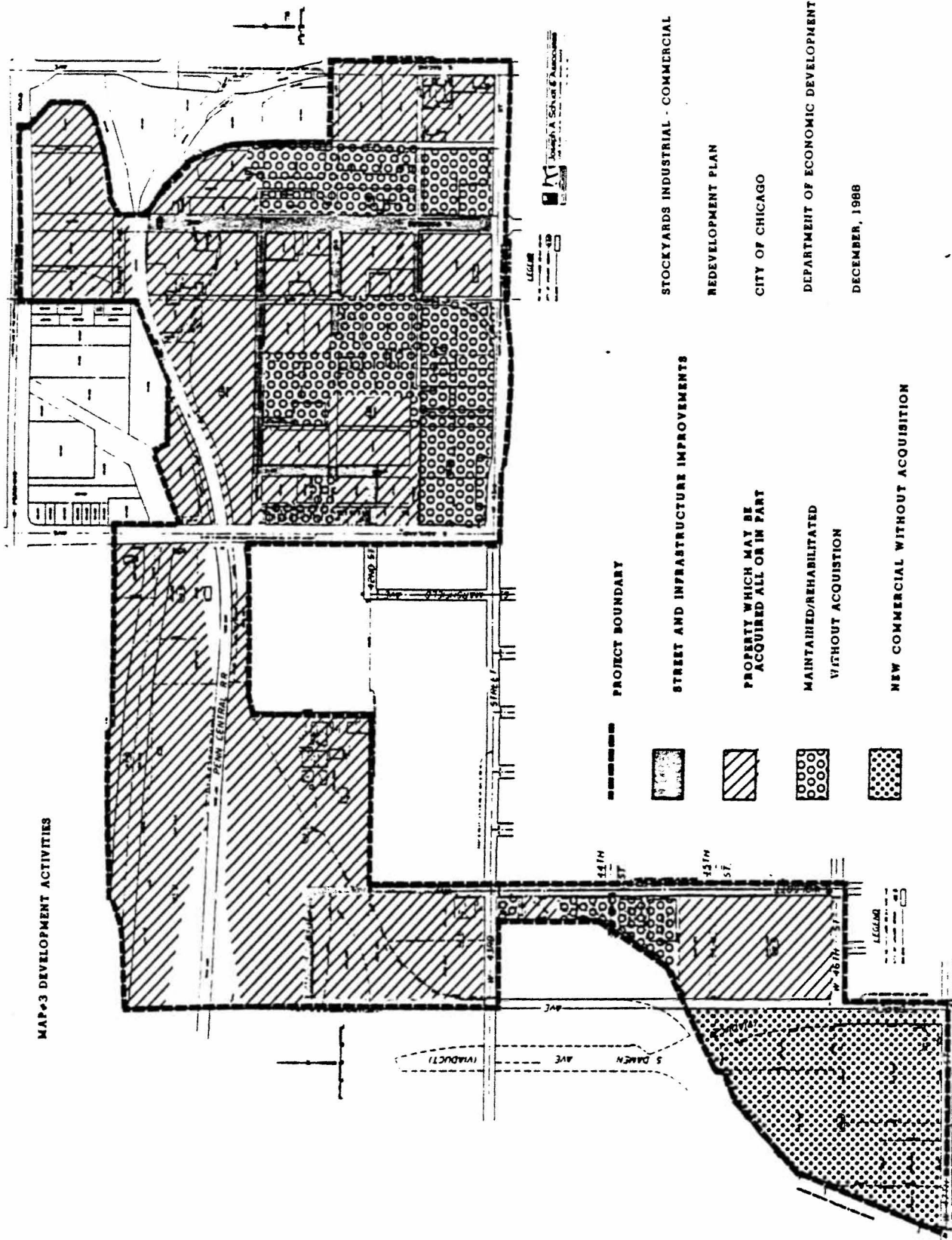
DEPARTMENT OF ECONOMIC DEVELOPMENT

DECEMBER, 1988

MAP #2 PROJECT SUB AREAS



MAP #3 DEVELOPMENT ACTIVITIES



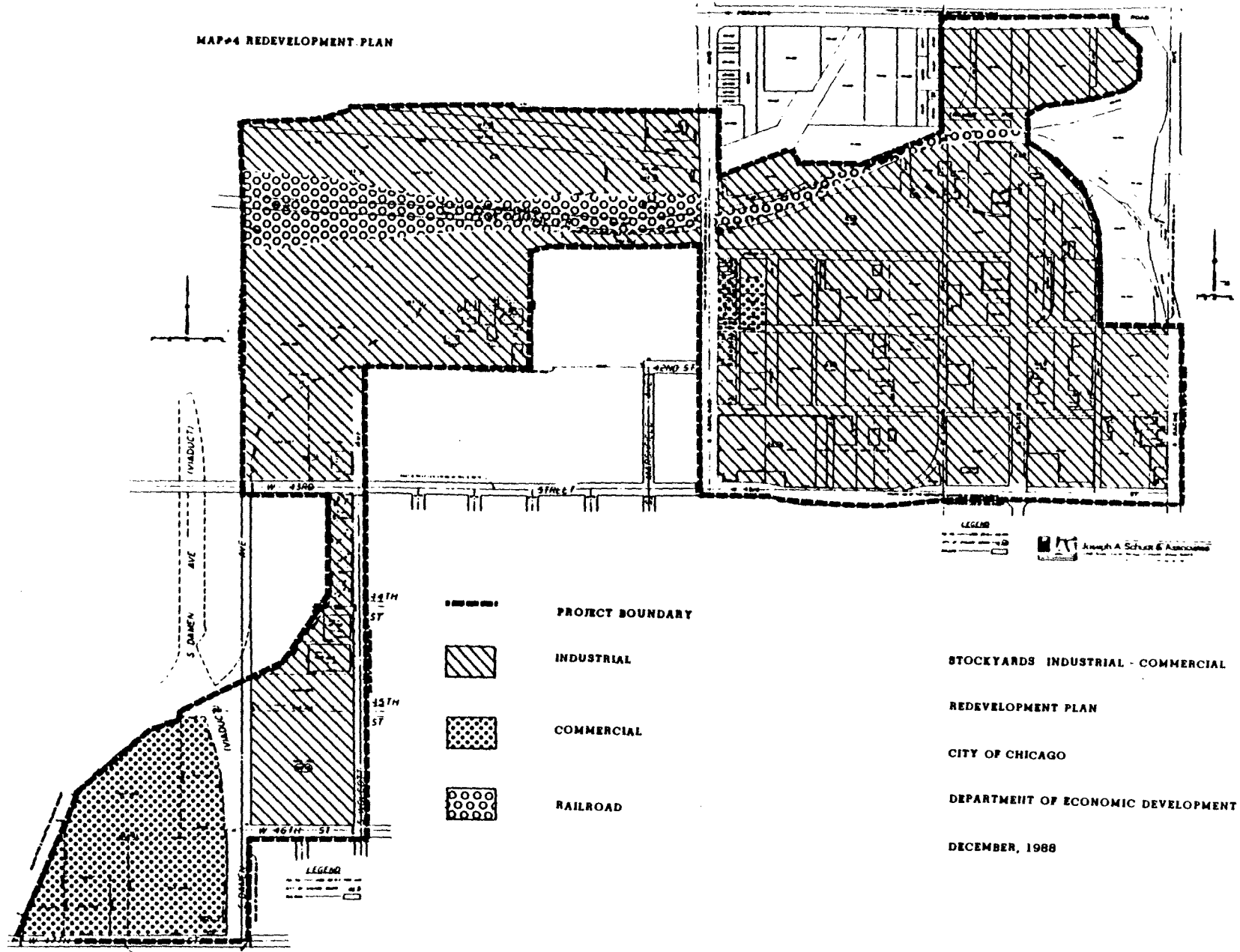
LEGEND
 Joseph A. Schmitt & Associates
 438

STOCKYARDS INDUSTRIAL - COMMERCIAL
 REDEVELOPMENT PLAN
 CITY OF CHICAGO
 DEPARTMENT OF ECONOMIC DEVELOPMENT
 DECEMBER, 1988

PROJECT BOUNDARY
 STREET AND INFRASTRUCTURE IMPROVEMENTS
 PROPERTY WHICH MAY BE ACQUIRED ALL OR IN PART
 MAINTAINED/REHABILITATED W/OUT ACQUISITION
 NEW COMMERCIAL WITHOUT ACQUISITION

LEGEND

MAP #4 REDEVELOPMENT PLAN



PROJECT BOUNDARY

INDUSTRIAL

COMMERCIAL

RAILROAD

STOCKYARDS INDUSTRIAL - COMMERCIAL

REDEVELOPMENT PLAN

CITY OF CHICAGO

DEPARTMENT OF ECONOMIC DEVELOPMENT

DECEMBER, 1988